

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7947

BILL NUMBER: HB 1806

NOTE PREPARED: Jan 18, 2005

BILL AMENDED:

SUBJECT: Property tax assessment duties.

FIRST AUTHOR: Rep. Saunders

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill assigns the duty of assessing real property to the county assessor instead of the township trustee-assessor.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The Department of Local Government Finance (DLGF) provides training to county and township assessors (which includes township-trustee assessors). Assigning the duty of assessing real property to the county assessor instead of the township trustee-assessor could reduce administrative expenses associated with the provision of training to trustee-assessors.

Background Information: Assessors are currently required to maintain either Level I or Level II certification. The DLGF certifies the assessors. Assessing officials must earn 30 hours of education within a 4-year period to be certified as a Level I assessor. Officials must complete 45 hours of education within a 4-year period to be certified as a Level II assessor. The DLGF offers training and certification at no cost to the assessor. Education may also be earned at training offered by approved entities. Participants in the training offered by the DLGF are responsible for travel and associated costs which may be paid by the sponsoring governmental unit.

The next reassessment will begin in 2007 and must be completed by March 1, 2009. This reassessment will be the basis for taxes payable in 2010.

As of January 2005, of the 1,008 townships in the state, 177 had elected assessors and 831 had trustee-

assessors. With respect to certification levels, 11 county assessors had obtained a Level I and 71 had obtained Level II. For elected township assessors, 16 had attained Level I and 107 had attained Level II. For township trustee-assessors, 68 had attained Level I and 63 had attained Level II.

Explanation of State Revenues:

Explanation of Local Expenditures: Overall the bill would increase expenses incurred by county assessors that would be required to take over assessing responsibilities from trustee assessors. Conversely, expenses for the township would decrease. The local impact would depend on the number of additional people the county assessor's office might need to hire to assess real property in townships without an elected township assessor and to assess mobile homes. Township trustees would still be responsible for assessing personal property.

There are currently 177 elected township assessors in the 1,008 townships in the state. The counties would take over the assessing responsibilities for real property and mobile homes in 831 townships. Additional expenses would depend on the number of assessors that a county might hire and the salaries paid. If counties added 83 assessors, one assessor for about every 10 townships, and paid salary and benefits of approximately \$25,000, the increase in expenses would be about \$2M annually. There could be a corresponding reduction in township assessing expenses. It is assumed that the budgets would be adjusted accordingly.

Expenses of reassessment are paid from the county reassessment fund.

The trustee assessor would no longer need to serve on the county land valuation commission which could reduce costs by a minimal amount for the county. The bill could also reduce expenses associated with correspondences among the county assessor, the trustee assessor, and the DLGF.

Explanation of Local Revenues:

State Agencies Affected: DLGF.

Local Agencies Affected: Counties and townships.

Information Sources: Pam Drinkard, Program Coordinator, Training Section, DLGF, 233-3068.

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